



# RISHABH MOST DESIRED TEXTBOOK



Certificate No. 11042

Undergraduate Level Textbook **as per** Syllabus  
with effect from Year 2018-2019

## INVESTMENT ANALYSIS AND PORTFOLIO MANAGEMENT

(Finance Group)

B.M.S.

Bachelor of Management Studies - Third Year - Semester - V

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## **PREFACE**

It gives us immense pleasure to present the **Third Edition of the book as per new syllabus** on "**Investment Analysis and Portfolio Management**" to the teachers and students of **T.Y.B.M.S. SEMESTER V.**

The book is written as per the revised syllabus in a simple and lucid language.

We are thankful to our publisher, Mr. Vijay K. Sugnani for giving us an opportunity and encouragement to write this book.

We sincerely request teachers and students of the subject to send their constructive comments and suggestions, for improving the contents of the book.

**- AUTHORS**

### **Question Paper Pattern**

Maximum Marks: 75

Questions to be set: 05

Duration: 2 1/2 Hrs.

All Questions are Compulsory Carrying 15 Marks each.

<b>Question No</b>	<b>Particular</b>	<b>Marks</b>
<b>Q-1</b>	Objective Questions A) Sub Questions to be asked 10 and to be answered any 08 B) Sub Questions to be asked 10 and to be answered any 07 (*Multiple choice / True or False / Match the columns/Fill in the blanks)	<b>15 Marks</b>
<b>Q-2</b>	Full Length Question <b>OR</b>	<b>15 Marks</b>
<b>Q-2</b>	Full Length Question	<b>15 Marks</b>
<b>Q-3</b>	Full Length Question <b>OR</b>	<b>15 Marks</b>
<b>Q-3</b>	Full Length Question	<b>15 Marks</b>
<b>Q-4</b>	Full Length Question <b>OR</b>	<b>15 Marks</b>
<b>Q-4</b>	Full Length Question	<b>15 Marks</b>
<b>Q-5</b>	A) Theory questions B) Theory questions <b>OR</b>	<b>08 Marks</b>  <b>07 Marks</b>
<b>Q-5</b>	Short Notes To be asked 05 To be answered 03	<b>15 Marks</b>

**DEDICATED**  
**TO**  
**OUR GURU**  
**Param Krupalu Dev**  
**Shrimad Rajchandraji**

**DEDICATED**  
**TO**  
**GOD of Wisdom**  
**Lord GANESHA**

**- Authors**

# Syllabus

SN.	Modules/ Units
<b>1</b>	<b>Introduction to Investment Environment</b> <b>a) Introduction to Investment Environment</b> <ul style="list-style-type: none"> <li>Introduction, Investment Process, Criteria for Investment, Types of Investors, Investment V/s Speculation V/s Gambling, Investment Avenues, Factors Influencing Selection of Investment Alternatives</li> </ul> <b>b) Capital Market in India</b> <ul style="list-style-type: none"> <li>Introduction, Concepts of Investment Banks its Role and Functions, Stock Market Index, The NASDAQ, SDL, NSDL, Benefits of Depository Settlement, Online Share Trading and its Advantages, Concepts of Small cap, Large cap, Midcap and Penny stocks</li> </ul>
<b>2</b>	<b>Risk - Return Relationship</b> <ul style="list-style-type: none"> <li>Meaning, Types of Risk- Systematic and Unsystematic risk, Measurement of Beta, Standard Deviation, Variance, Reduction of Risk through Diversification. Practical Problems on Calculation of Standard Deviation, Variance and Beta.</li> </ul>
<b>3</b>	<b>Portfolio Management and Security Analysis</b> <b>a) Portfolio Management:</b> <ul style="list-style-type: none"> <li>Meaning and Concept, Portfolio Management Process, Objectives, Basic Principles, Factors affecting Investment Decisions in Portfolio Management, Portfolio Strategy Mix.</li> </ul> <b>b) Security Analysis:</b> <ul style="list-style-type: none"> <li>Fundamental Analysis, Economic Analysis, Industry Analysis, Company Analysis, Technical Analysis - Basic Principles of Technical Analysis., Uses of Charts: Line Chart, Bar Chart, Candlestick Chart, Mathematical Indicators: Moving Averages, Oscillators.</li> </ul>

4	<p><b>Theories, Capital Asset Pricing Model and Portfolio Performance Measurement</b></p> <p><b>a) Theories:</b></p> <ul style="list-style-type: none"> <li>• Dow Jones Theory, Elloit Wave Theory, Efficient Market Theory</li> </ul> <p><b>b) Capital Asset Pricing Model:</b></p> <ul style="list-style-type: none"> <li>• Assumptions of CAPM, CAPM Equation, Capital Market Line, Security Market Line</li> </ul> <p><b>c) Portfolio Performance Measurement:</b></p> <ul style="list-style-type: none"> <li>• Meaning of Portfolio Evaluation, Sharpe's Ratio (Basic Problems), Treynor's Ratio (Basic Problems), Jensen's Differential Returns (Basic Problems)</li> </ul>

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**(November 2018, May 2019, November 2019)**